

Financial Results Presentation FY9/2024

(October 1, 2023 – September 30, 2024)

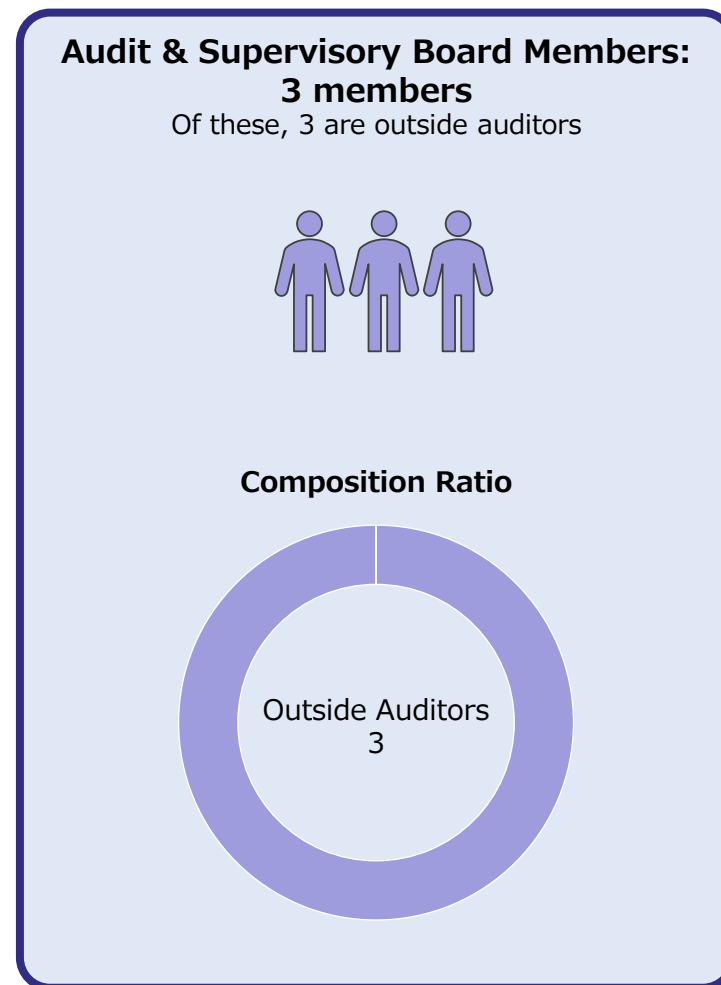
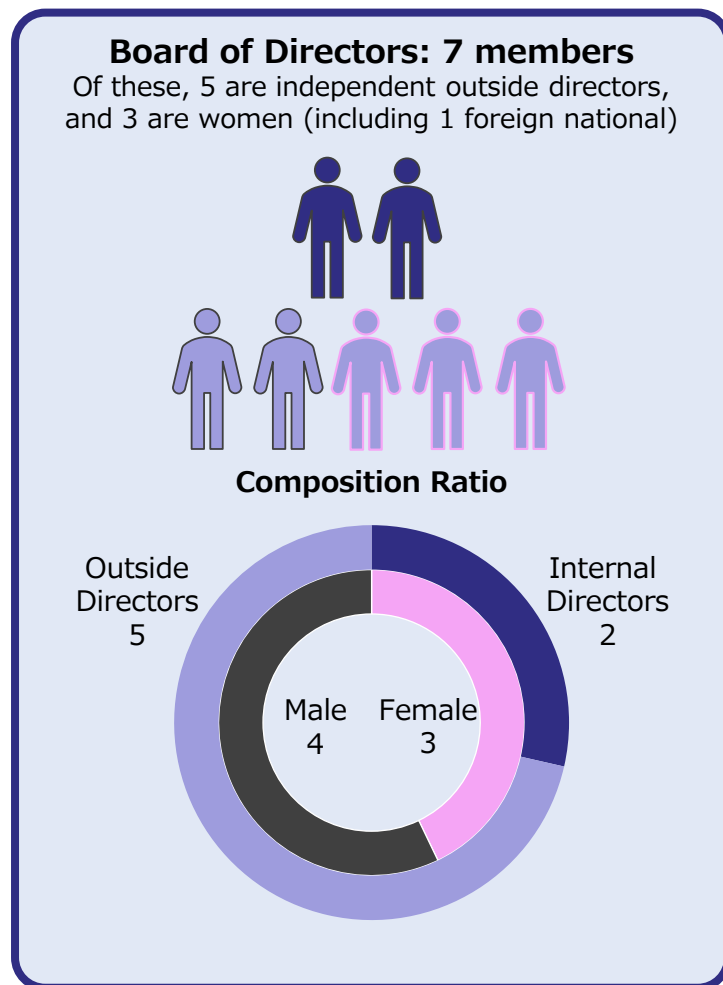


Financial Partners Group Co., Ltd.
(Prime Market of TSE, Code : 7148)

Embracing the future through finance

We will always be there to support our customers,
with the ultimate goal of being their Financial Partners
in embracing the future through finance.

- Our Board of Directors consists of seven members, five of whom are independent outside directors, and three being female directors (including one foreign national), ensuring high independence and diversity. Additionally, all three members of the Audit & Supervisory Board Members are independent outside auditors.



- To further enhance corporate recognition, we began airing our first TV commercial on TV TOKYO's "WBS* (World Business Satellite)" starting in October 2024.



"A New Shape of Fractionalization"



"Truly Valuable Assets for Each and Every."

Also available on the FPG official YouTube channel (Japanese version only)



<https://youtu.be/axQwWBY2O3o>

* TV Tokyo's "WBS (World Business Satellite)" Broadcast Schedule: Monday to Thursday, 22:00–22:58; Friday, 23:00–23:58 (Broadcast area: Japan only)

FY9/2024 Results

- Consolidated net sales exceeded 100 billion yen, and net profit^{*1} reached JPY 20 billion. Significant year-on-year increases in both revenue and profit were driven by the Leasing Fund Business and Domestic Real Estate Fund Business.

✓ **Net Sales** **JPY 107.78 billion** (+JPY 36.63 billion, +51.5% YoY)
 ✓ **Net Profit**^{*1} **JPY 20.45 billion** (+JPY 7.99 billion, +64.1% YoY)

Q4 Topics

- Selected as a “JPX Nikkei Index 400” constituent for the first time in two years
- Leasing Fund Business: Continued active sales in Q4 to meet strong investor demand, resulting in an annual sales amount of JPY 184.3 billion, significantly surpassing the previous record annual sales.^{*2}
- Domestic Real Estate Fund Business: Arranged “FPG links TENJIN MINAMI” in July 2024. The annual arrangement and sales amounts reached JPY 115.8 billion and JPY 73.8 billion, respectively, both significantly surpassing previous records.^{*3}
- International Real Estate Fund Business: Arranged the 5th project, a large-scale multifamily housing complex “Driftwood Apartments” in Washington, U.S.A., in September 2024.

Shareholder Returns

- Year-end dividend shall be 81.55 yen^{*4}, resulting in an annual dividend of 120.30 yen per share (payout ratio of 50.1%, an increase of 47.30-yen YoY) when combined with the interim dividend of 38.75 yen.
- In the FY9/2024, we acquired treasury shares worth approximately JPY 2 billion and canceled 3.67 million shares.
- In addition, we newly resolved to acquire up to 1 million shares or JPY 2 billion in treasury shares, and to cancel 860,000 treasury shares.

^{*1} Profit attributable to owners of parent. ^{*2} Previous record annual sales: JPY 156.7 billion in FY9/2019.

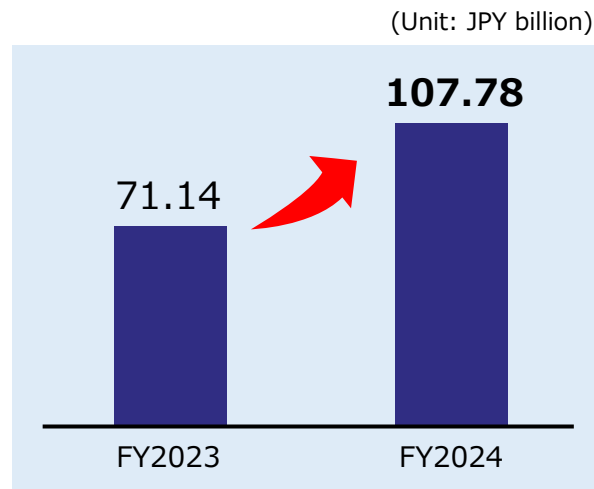
^{*3} Previous record annual arrangement and sales amounts: Arrangement amount of JPY 56.2 billion in FY9/2022, sales amount of JPY 44.5 billion in FY9/2023.

^{*4} Year-end dividend for FY9/2024 is to be discussed at the 23rd Ordinary General Meeting of Shareholders to be held on December 20, 2024.

- Consolidated net sales exceeded JPY 100 billion, and net profit* reached JPY 20 billion.

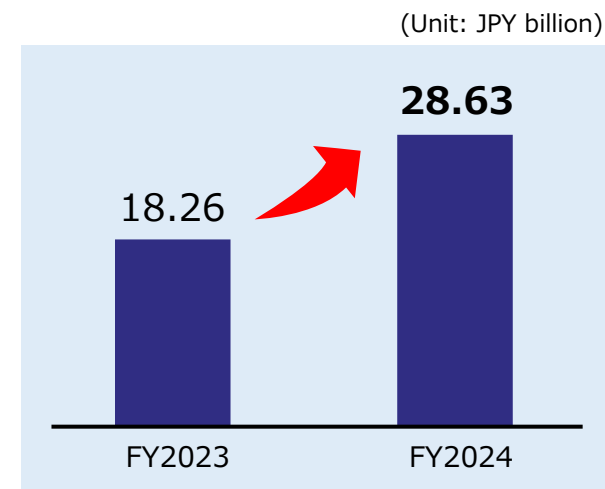
Net Sales

Appx. 1.5x



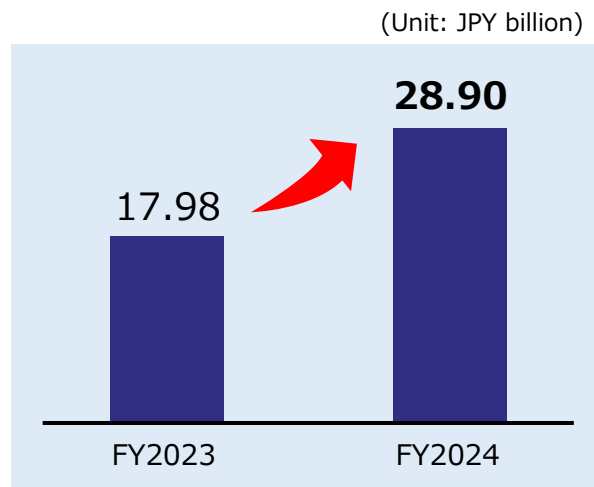
Operating Income

Appx. 1.6x



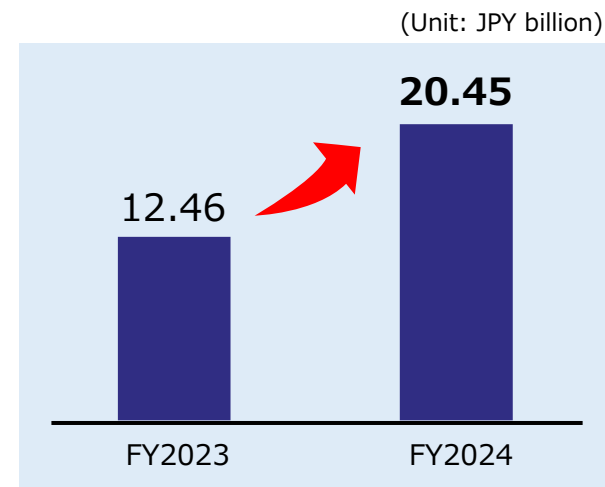
Ordinary Income

Appx. 1.6x



Net Profit*

Appx. 1.6x



* Profit attributable to owners of parent.

Full Year Consolidated Results and Breakdown by Business

- The Leasing Fund Business and the Domestic Real Estate Fund Business have strongly driven growth, resulting in a significant increase in both revenue and profit.
- Annual dividend per share: 120.30 yen* (payout ratio of 50.1%, an increase of 47.30-yen YoY).

(Unit: JPY billion)

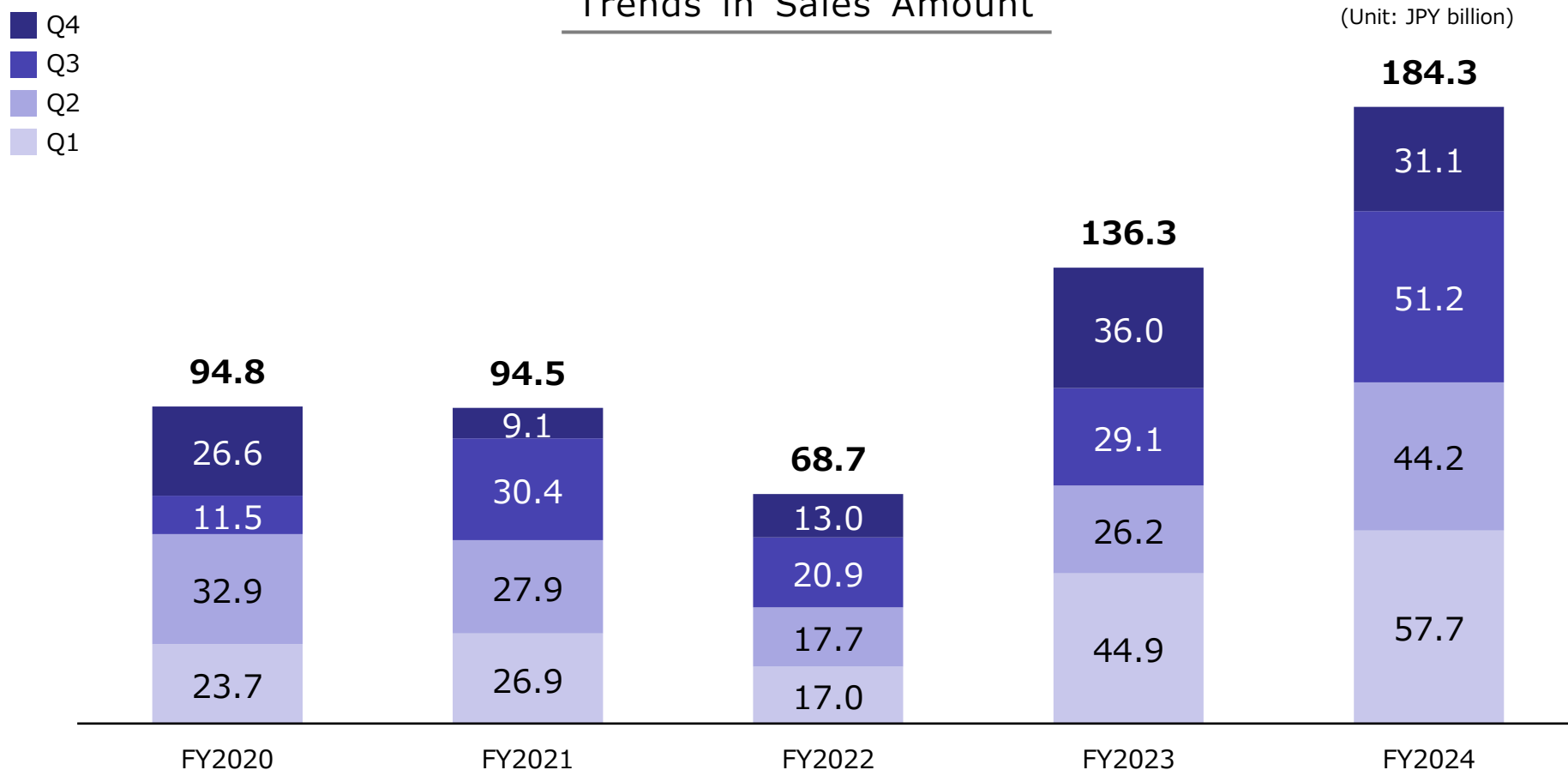
Consolidated P/L	FY2023	FY2024	YoY Change	
			Amount	Rate
Net sales	71.14	107.78	+36.63	+51.5%
Gross Profit	26.30	38.34	+12.03	+45.8%
Operating income	18.26	28.63	+10.36	+56.8%
Ordinary income	17.98	28.90	+10.92	+60.7%
Margin on sales	25.3%	26.8%	-	-
Profit attributable to owners of parent	12.46	20.45	+7.99	+64.1%
Margin on sales	17.5%	19.0%	-	-
Annual dividend per share (yen)	<u>73.00</u>	<u>120.30</u> *	+47.30	+64.8%
Net Sales by Business				
Leasing Fund Business	<u>22.18</u>	<u>29.27</u>	+7.09	+32.0%
Domestic Real Estate Fund Business	<u>45.07</u>	<u>75.09</u>	+30.01	+66.6%
International Real Estate Fund Business	2.82	2.73	(0.09)	(3.3%)
Other Business	1.06	0.67	(0.38)	(36.3%)
Gross Profit by Business				
Leasing Fund Business	<u>17.43</u>	<u>26.11</u>	+8.68	+49.8%
Domestic Real Estate Fund Business	<u>5.79</u>	<u>9.72</u>	+3.92	+67.8%
International Real Estate Fund Business	2.39	2.35	(0.04)	(1.9%)
Other Business	0.68	0.15	(0.53)	(78.0%)

* Year-end dividend for FY9/2024 (81.55 yen per share) is to be discussed at the 23rd Ordinary General Meeting of Shareholders to be held on December 20, 2024.

- By continuing aggressive sales in response to strong investor demand, we significantly surpassed the previous record annual sales*.

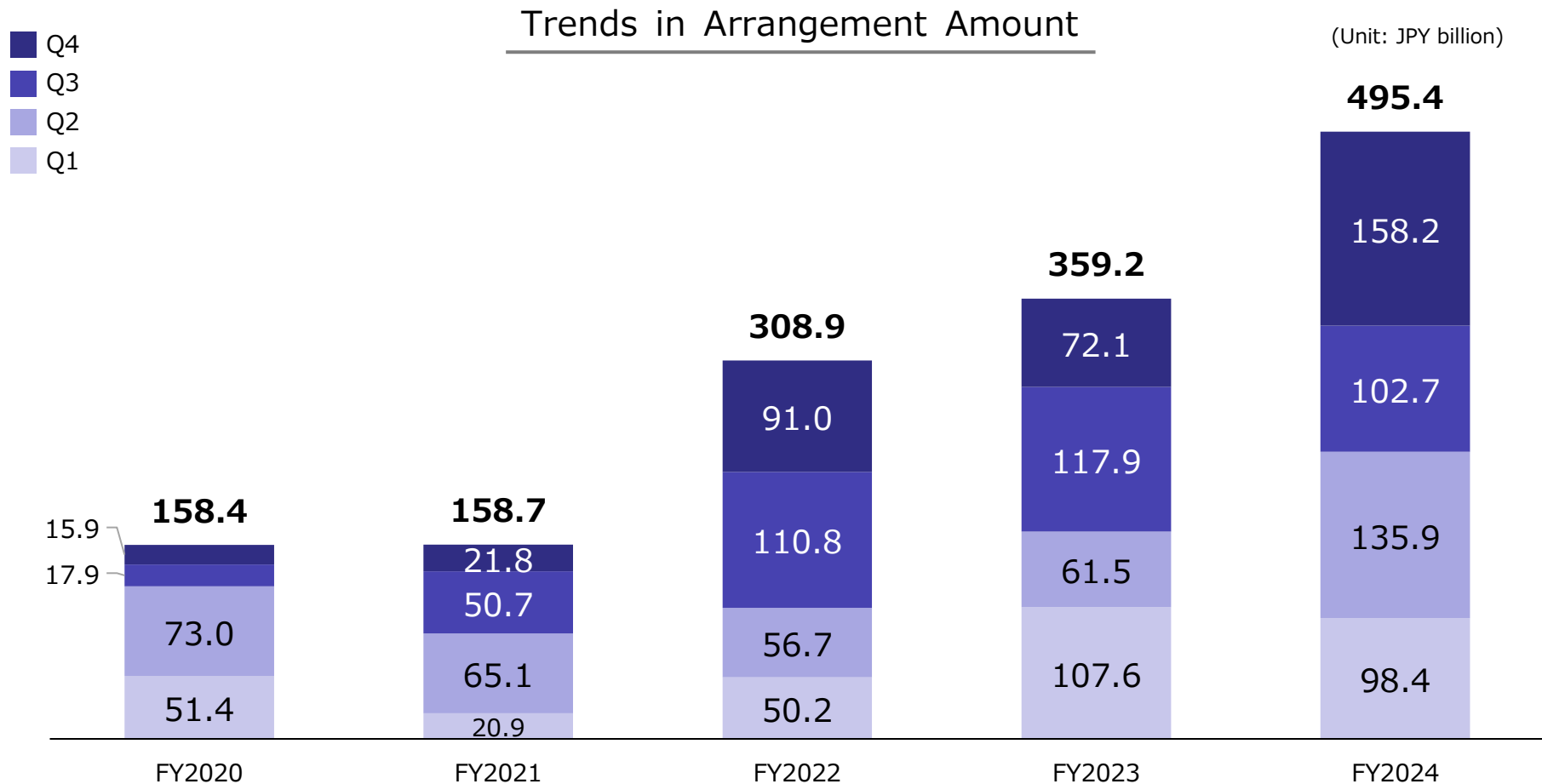
Trends in Sales Amount

(Unit: JPY billion)

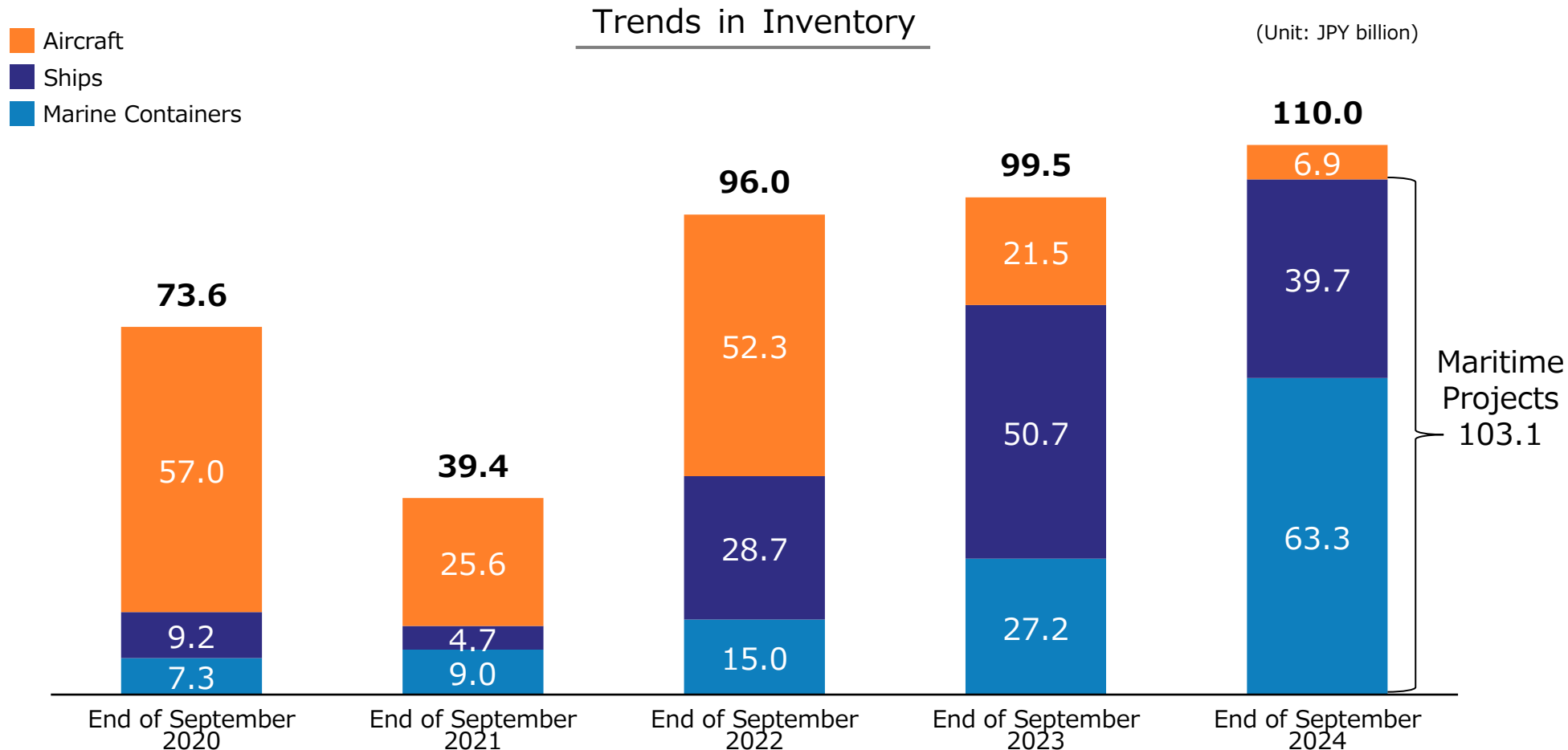


* Previous record annual sales: JPY 156.7 billion in the FY9/2019.

- Continued aggressive arrangements in Q4, primarily focusing on maritime projects.



- Secured a record-high year-end inventory*, primarily focusing on maritime projects, in anticipation of sales in FY9/2025 and beyond.



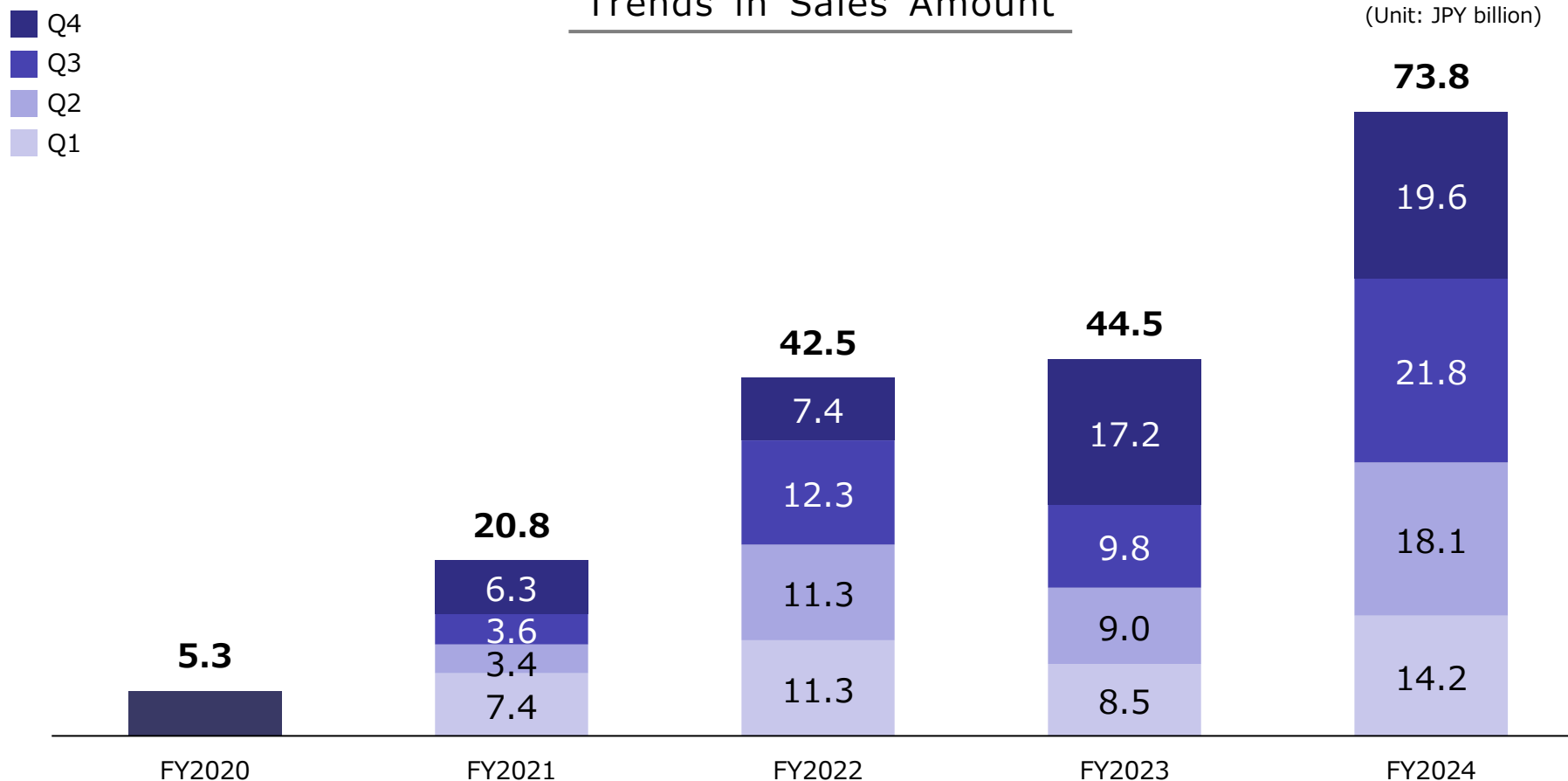
* Previous record-high year-end inventory: 99.5 billion yen in FY9/2023.

© 2024 Financial Partners Group Co., Ltd.

- By accelerating the virtuous cycle of arrangement and sales in response to strong investor demand, the sales amount significantly surpassed the previous record*.
- Aiming for an annual sales amount of JPY 100 billion in the medium term.

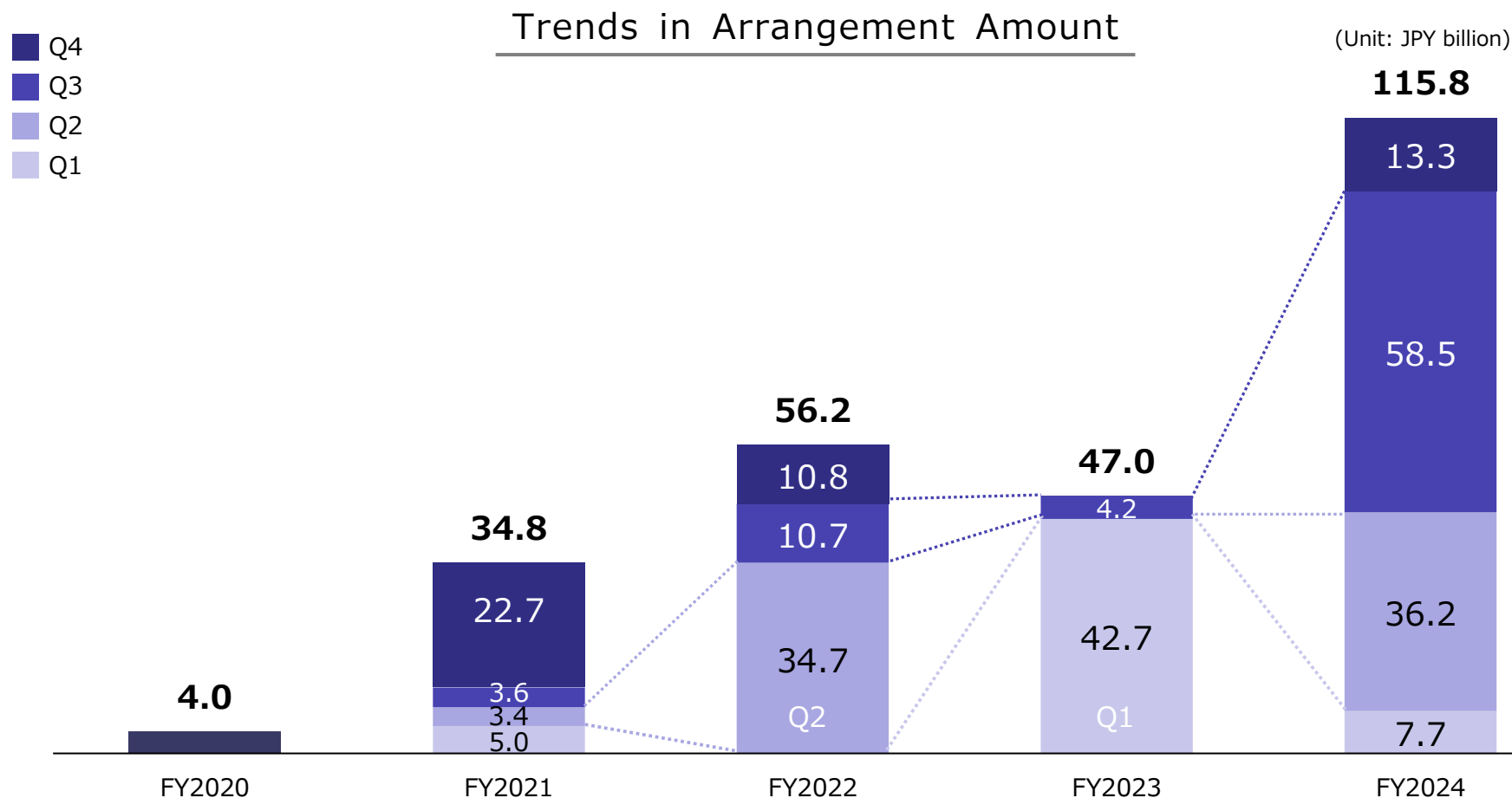
Trends in Sales Amount

(Unit: JPY billion)



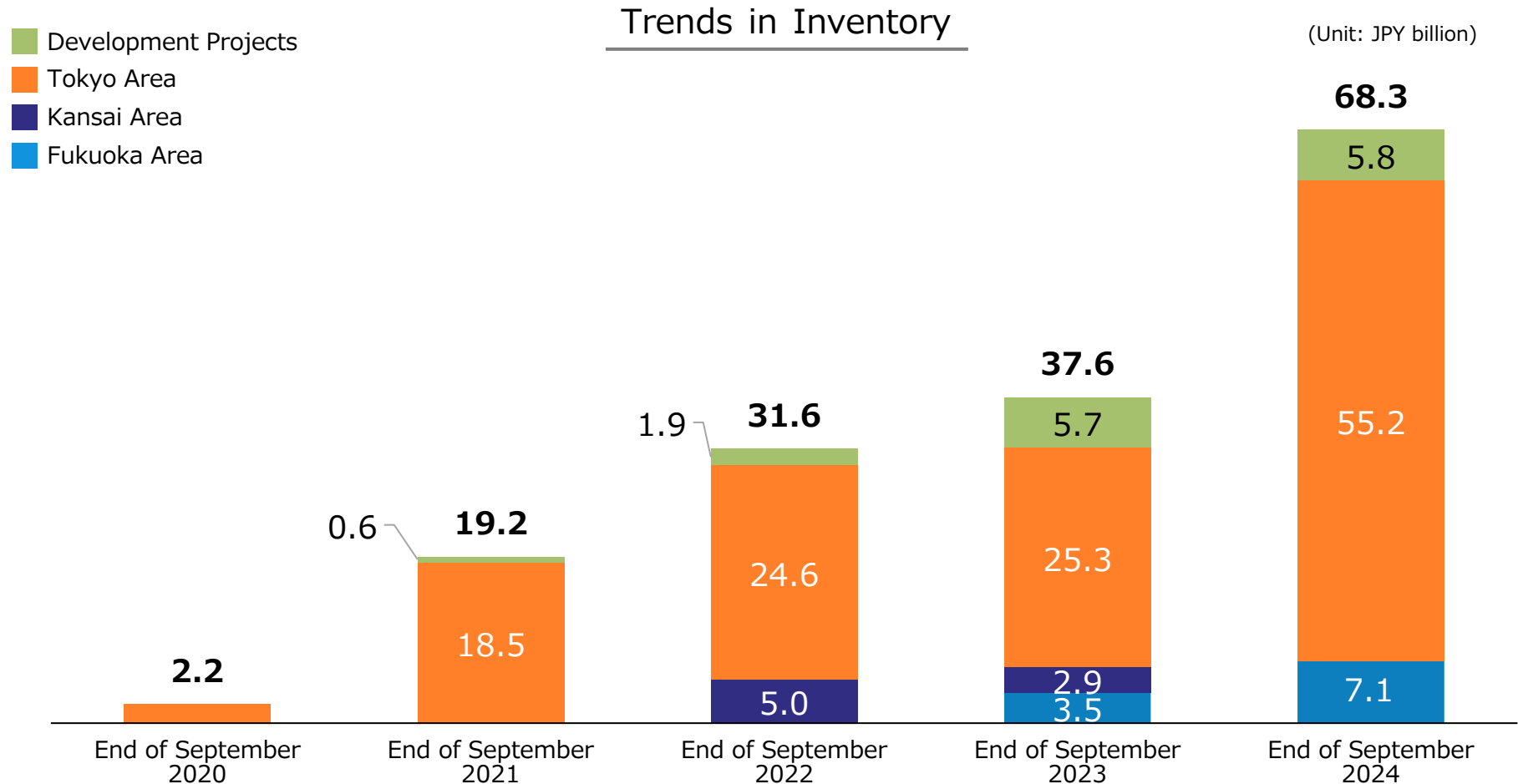
* Previous record sales amount: JPY 44.5 billion in FY9/2023.

- To meet strong demand, “FPG links TENJIN MINAMI” was arranged in July 2024*.
- The annual arrangement amount exceeded 110 billion yen.



* Announced July 29, 2024 [“Notice Regarding Completion of Acquisition of Real Estate for the Real Estate Fractional Ownership Investment Project “Premium Asset Series”](#).

- By continuing active arrangements, we secured ample year-end inventory in anticipation of growth beyond FY9/2025.



Domestic Real Estate Fund Business

Large-Scale Project Arrangement Achievements in FY9/2024

- Successively arranged large-scale projects exceeding JPY 30 billion.
- Achieved an annual arrangement amount of JPY 115.8 billion in FY9/2024, driving arrangements to an unmatched scale beyond the competition.



Arranged in March 2024
GINZA SIX The entire 11th floor.

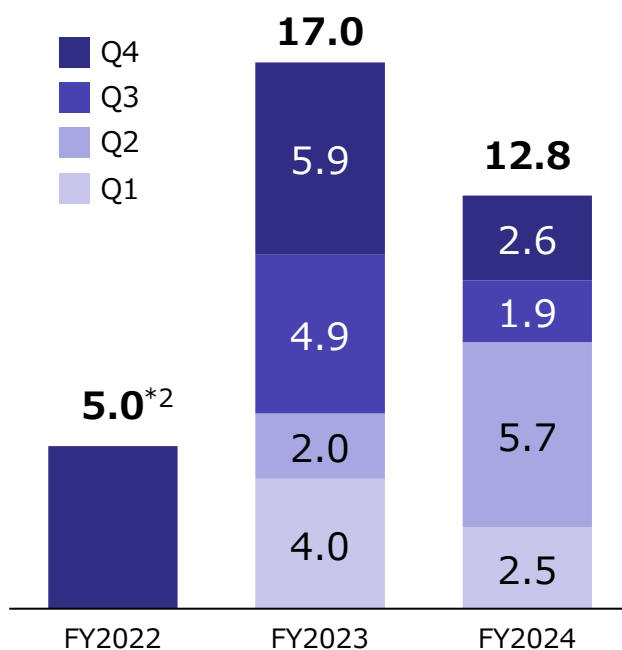


Arranged in June 2024
Roppongi Hills Mori Tower The entire 18th and 21st floors.

- Arranged the 5th project, the large-scale multifamily housing complex “Driftwood Apartments” in Kent, Washington, in September 2024.*¹
- For the first time since the start of the business, multiple projects were arranged within a single fiscal year, expanding the annual arrangement amount to JPY 43.1 billion.
- Secured ample inventory in preparation for sales beyond FY9/2025.

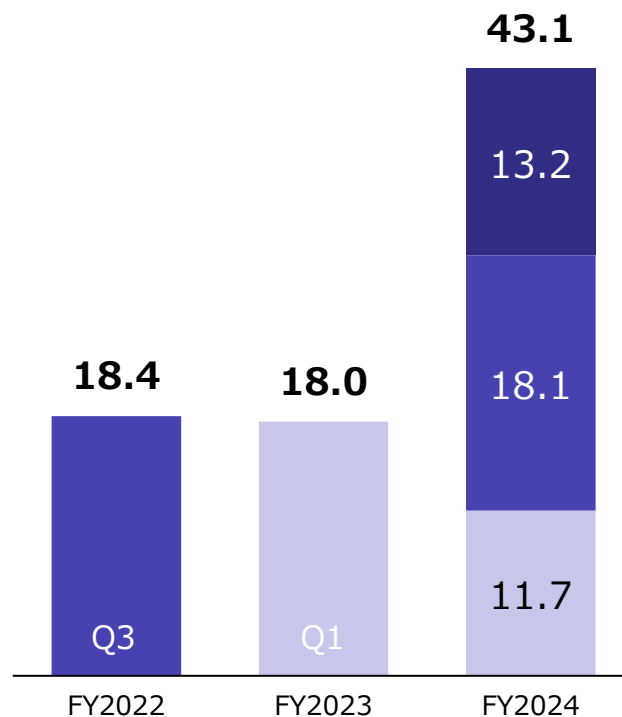
Trends in Sales Amount

(Unit: JPY billion)



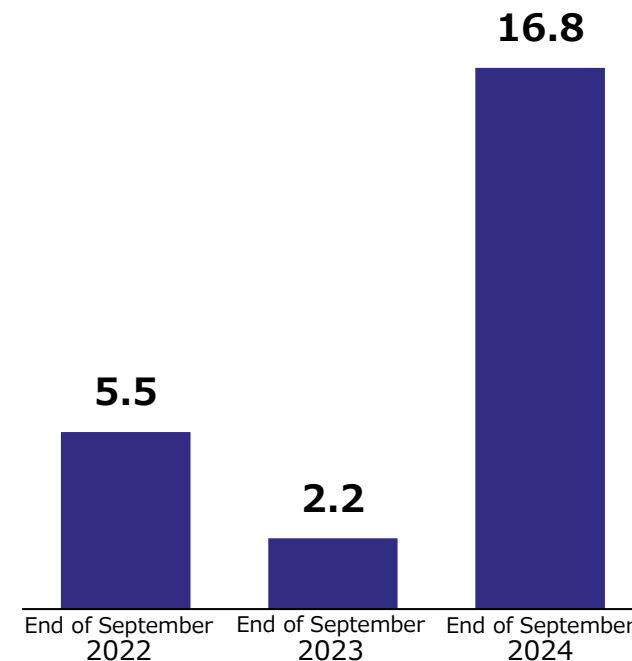
Trends in Arrangement Amount

(Unit: JPY billion)



Trends in Inventory

(Unit: JPY billion)



*1 Announced September 30, 2024 “[Notice Regarding the Acquisition of Real Estate for Arrangement of the International Real Estate Collective Investment Project](#)”.

*2 Commenced sale of international real estate investment product from June 2022.

International Real Estate Fund Business Projects Currently on Sale

- Currently on sale, both the large-scale hotel-centered mixed-use building “Hyatt Centric Waikiki Beach” in Honolulu, Hawaii, arranged as the 4th project, and the large-scale multifamily housing complex “Driftwood Apartments” in Kent, Washington, arranged as the 5th project, are experiencing strong sales.

4th Project - Hyatt Centric Waikiki Beach



Location: Honolulu, Hawaii
Purpose: Mixed-use building

- 230 hotel rooms
- 7 retail units
- 392 parking spaces

Completion: 1980*

Land area: 57,148 ft²
 (apprx. 5,309 m²)

Structure: Reinforced concrete

Total equity placement sales amount: JPY 12.9 bn

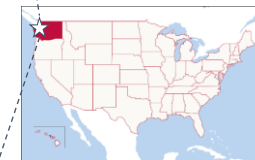


* Converted from office to hotel in 2016

5th Project - Driftwood Apartments



Location: Kent, Washington
Number of units: 382
Completion: 1978
Net rentable area: 269,768 ft² (apprx. 25,062 m²)
Structure: Wooden construction
Total equity placement sales amount: JPY 6.5 bn



FY9/2025 Earnings and Dividend Forecast

FY9/2025 Earnings and Dividend Forecast

- Aiming for a progressive dividend increase by achieving record-high profits.

(Unit: JPY billion)				
	FY9/2024 Results	FY9/2025 Forecast	YoY	
			Amount	Rate
Net sales	107.78	123.50	+15.71	+14.6%
Operating income	28.63	31.70	+3.06	+10.7%
Ordinary income	28.90	31.70	+2.79	+9.7%
Margin on sales	26.8%	25.7%	-	-
Profit attributable to owners of parent	20.45	22.00	+1.54	+7.5%
Margin on sales	19.0%	17.8%	-	-
Dividend (yen)				
Interim dividend	38.75	65.20		
Year-end dividend	81.55*	65.20		
Annual dividend per share	120.30	130.40	+10.10	

* Year-end dividend for FY9/2024 is to be discussed at the 23rd Ordinary General Meeting of Shareholders to be held on December 20, 2024.

FY9/2025 Earnings Forecast

Sales Breakdown by Business & KPIs by Business

- Pursuing increased revenue and profit through further growth in the Domestic Real Estate Fund Business and International Real Estate Fund Business.
- The Leasing Fund Business will continue its policy of selectively arranging profitable projects, primarily focused on maritime projects.

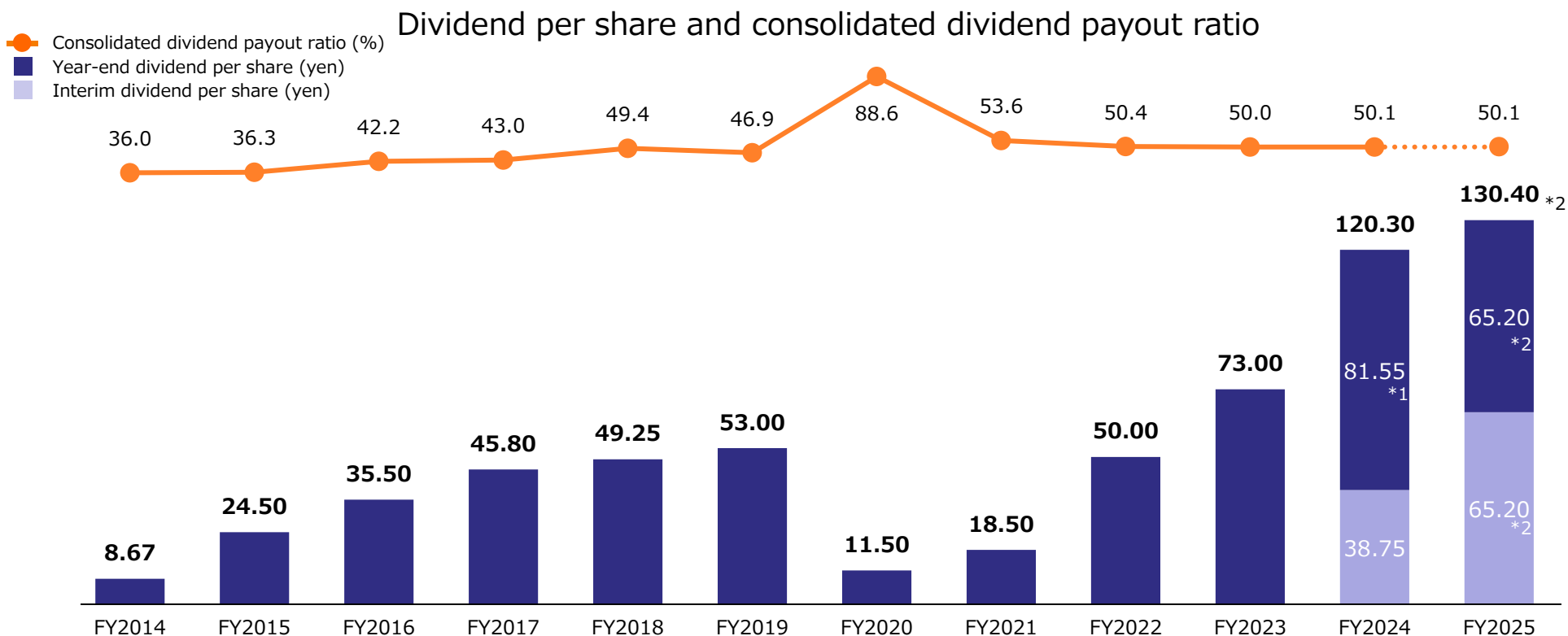
(Unit: JPY billion)

Sales Breakdown by Business	FY9/2024	FY9/2025 Forecast	YoY	
			Amount	Rate
Leasing Fund Business	29.27	27.00	(2.27)	(7.8%)
Domestic Real Estate Fund Business	75.09	91.00	+15.90	+21.2%
International Real Estate Fund Business	2.73	5.00	+2.26	+83.0%
Other Business	0.67	0.50	(0.17)	(26.3%)
Total	107.78	123.50	+15.71	+14.6%

KPIs by Business

Leasing Fund Business	Sales amount	184.37	170.00	(14.37)	(7.8%)
	Arrangement amount	495.46	500.00	+4.53	+0.9%
Domestic Real Estate Fund Business	Sales amount	73.84	90.00	+16.16	+21.9%
International Real Estate Fund Business	Sales amount	12.88	20.00	+7.12	+55.3%

- The basic policy is to ensure continuous and stable dividends while securing necessary internal reserves for sustainable growth and enhancing corporate value, aiming for a consolidated dividend payout ratio of 50%.
- Started implementing interim dividends from FY9/2024.
- Aiming for a progressive dividend increase by achieving record-high profits.
- ✓ Annual Dividend for the FY9/2024 : 120.30 yen per share^{*1}
- ✓ Annual Dividend for the FY9/2025 (forecast) : 130.40 yen per share^{*2} (an increase of 10.10-yen YoY)



^{*1} Year-end dividend for FY9/2024 (81.55 yen per share) is to be discussed at the 23rd Ordinary General Meeting of Shareholders to be held on December 20, 2024.

^{*2} Forecast as of October 31, 2024.

© 2024 Financial Partners Group Co., Ltd.

Appendix

Impact of “Lease Accounting Standards” on the Leasing Fund Business

- The Accounting Standards Board of Japan (ASBJ) announced on September 13, 2024, that Accounting Standard No. 34 “Lease Accounting Standards” will be applied in principle from April 1, 2027. The impact of the new standard on our Leasing Fund Business is **negligible**.

In our Leasing Fund Business, almost all lessees in the Japanese Operating Lease projects are foreign entities already applying IFRS, which includes the recognition of lease assets and liabilities on their balance sheet (BS).

Therefore, even if the new accounting standards are applied under Japanese GAAP, the impact on our Leasing Fund Business is expected to be negligible.

	Overseas Lessees (Foreign Entities) 【 IFRS, US GAAP 】	Domestic Listed Companies 【 Japanese GAAP 】
Current Standard	ON-BS ➢ Lease assets and liabilities are recognized on the BS. ➢ Depreciation and interest expenses are recorded on the PL.	OFF-BS ➢ Lease assets and liabilities are not recognized on the BS. ➢ Lease payments are recorded as expenses on the PL.
New Standard	No Change	
		ON-BS ➢ Lease assets and liabilities are recognized on the BS. ➢ Depreciation and interest expenses are recorded on the PL.

Consolidated Income Statement Summary

(Unit: JPY billion)

	FY2023	FY2024	YoY	
			Amount	Rate
Net sales	71.14	107.78	+36.63	+51.5%
① Cost of sales	44.84	69.43	+24.59	+54.8%
Gross profit	26.30	38.34	+12.03	+45.8%
SG&A Cost	8.04	9.71	+1.67	+20.8%
Operating income	18.26	28.63	+10.36	+56.8%
② Non-operating income	3.49	3.07	(0.42)	(12.1%)
③ Non-operating expenses	3.77	2.79	(0.97)	(25.8%)
Ordinary income	17.98	28.90	+10.92	+60.7%
Income before income taxes	17.85	29.44	+11.58	+64.9%
Total income taxes	5.35	8.96	+3.61	+67.4%
Profit attributable to owners of parent	12.46	20.45	+7.99	+64.1%

① Cost of sales

Includes real estate acquisition cost, arrangement cost for Leasing Fund Business projects and commission paid for customer refers.

② Non-operating income

Includes advance interest collected when selling equity placement to investors and gain on investments in money held in trust in the Leasing Fund Business.

③ Non-operating expenses

Includes interest paid on commission fees and interest expenses related to fund procurement.

Consolidated Balance Sheet Summary

(Unit: JPY billion)

Assets	FY2023	FY2024	YoY
Current assets	168.29	221.67	+53.38
Cash and deposit	15.98	17.44	+1.45
① Equity underwritten	83.40	124.76	+41.36
② Money held in trust (Aircraft for Arrangement)	18.38	2.10	(16.28)
③ Real estate for arrangement	37.63	68.33	+30.70
Non-current assets	15.38	8.94	(6.43)
Total assets	183.67	230.61	+46.94
Liabilities and net assets	FY2023	FY2024	YoY
Current liabilities	120.99	131.74	+10.74
Short-term debt	94.90	104.60	+9.69
④ Contract liability	13.71	16.99	+3.28
Non-current liabilities	18.37	45.54	+27.16
Long-term debt	18.03	45.02	+26.98
Total liabilities	139.37	177.29	+37.91
Total net assets	44.29	53.32	+9.03
Total liabilities and net assets	183.67	230.61	+46.94

① Equity underwritten

Temporary advances in the Leasing Fund Business and International Real Estate Fund Business before selling to equity investors.

② Money held in trust (Aircraft for Arrangement)

Temporary inventory of trust beneficiary right of operating lease for aircraft using a trust function.

③ Real estate for arrangement

Inventory of the Domestic Real Estate Fund Business.

④ Contract liability

Including advances of commission fees related to Leasing Fund Business and International Real Estate Fund Business.

Key Management Indicators

		FY9/2018	FY9/2019	FY9/2020	FY9/2021	FY9/2022	FY9/2023	FY9/2024
Net sales	Billions of yen	29.38 ^{*1}	37.59 ^{*1}	17.52 ^{*1}	33.58 ^{*1}	59.19	71.14	107.78
Ordinary income	Billions of yen	12.62	14.39	1.71	5.14	12.46	17.98	28.90
Profit attributable to owners of parent	Billions of yen	8.98	10.03	1.13	2.94	8.47	12.46	20.45
Paid-in capital	Billions of yen	3.09	3.09	3.09	3.09	3.09	3.09	3.09
Outstanding shares	Thousands of shares	92,373	90,673	89,073	89,073	89,073	89,073	85,403
Net assets	Billions of yen	29.74	32.98	27.48	29.39	36.15	44.29	53.32
Total assets	Billions of yen	85.14	125.83	132.85	91.89	158.05	183.67	230.61
Book value per share	Yen	326.03	369.59	318.90	342.39	422.35	517.45	629.36
Dividend per share	Yen	49.25	53.00	11.50	18.50	50.00	73.00	120.30
Earnings per share	Yen	99.71	113.01	12.98	34.51	99.24	145.97	240.07
ROE	%	33.4	32.3	3.8	10.4	26.0	31.1	42.0
Equity ratio	%	34.5	26.0	20.5	31.8	22.8	24.1	23.1
Dividend payout ratio	%	49.4	46.9	88.6	53.6	50.4	50.0	50.1
Cash flow from operating activities	Billions of yen	11.58	(24.84)	12.19	26.65	(50.87)	4.77	▲292.6
Cash flow from investing activities	Billions of yen	(0.88)	(0.39)	(2.17)	(1.14)	(0.55)	(9.35)	65.6
Cash flow from financing activities	Billions of yen	(9.81)	28.84	(0.89)	(31.91)	43.64	7.34	242.2
Cash and cash equivalents at the end of year	Billions of yen	13.33	16.58	25.75	19.41	11.71	14.58	160.4
Number of employees		252	262	338	336	337	307 ^{*2}	355

^{*1} Due to the application of the "Accounting Standard for Revenue Recognition," net sales of the Domestic Real Estate Fund Business have been retroactively adjusted to the gross amount method for the purpose of comparison.

^{*2} The main reason for the year-on-year decrease in the number of employees at the end of FY9/2023 was the transfer of shares in FPG Technology Co. Ltd., in April 2023, which resulted in 49 employees of the company at the end of FY9/2022 no longer being consolidated. In actual terms, the number of employees at the end of FY9/2023 increased by 19 compared to the end of the previous year.

Priority items/Relevant SDGs targets	Specific initiatives
1. Contributing to the local economy and community   	■ Contributing to local medical care • Only You Air Co., Ltd. provides air transport services for medical personnel to remote islands in Kagoshima and Okinawa prefectures. ■ Contributing to small and medium-sized companies that support the local economy by promoting alliances with local financial institutions. • Securing business succession and employment through M&A services.
2. Implementing environmentally friendly initiatives   	■ Initiatives related to reducing carbon dioxide emissions. • Proactive approach to transition financing for aircraft and ships that employ technologies that reduce environmental impact. ■ Promoting paperless systems by utilizing IT tools, etc. • Reducing paper-based meeting materials utilizing electronic devices and electronic documents. • Use of electronic signatures in contracts and other documents.

Priority items/Relevant SDGs targets

3. Respect for human rights and diversity.
The reforming human resource development and work styles.



Specific initiatives

- Initiatives to support people with disabilities
 - Since November 2020, we became an official partner (a Gold Partner) of Paralym Art, operated by the Organization for Promoting Independence of Persons with Disabilities.
- Initiatives to support promoting sports
 - Sponsorship agreement with Tomokazu Harimoto, a member of Japan's National Table Tennis Team, since March 2017.
 - Sponsorship agreement with Miwa Harimoto, a member of Japan's National Table Tennis Team, since March 2018.
- Human resource development and promotion of diverse human resources who can contribute to achieving management strategies.
 - Promotion of women in the workplace.
(Ratio of female managers: 7.6%, as end of Sep. 30, 2024)
 - Active employment of non-Japanese employees.
 - Enhancement of qualification acquisition support program (Supporting employee career development through providing subsidies).
- Promoting diverse and flexible work styles.
 - Achieve 100% maternity / childcare leave take-up rate and return to work rate.

4. Strengthening corporate governance

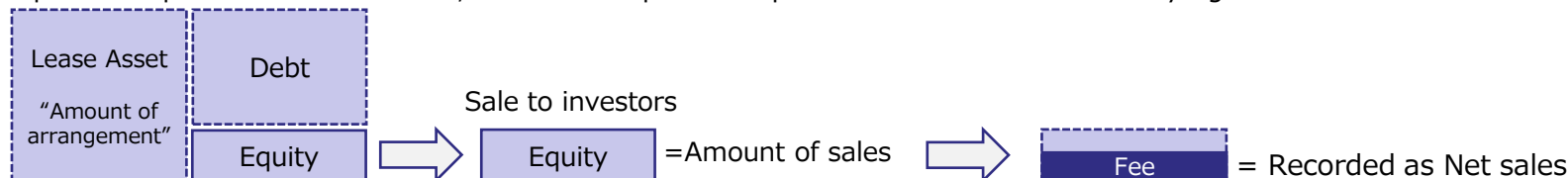


- Ensure independence and diversity in the appointment of directors and management.
 - Appointing more than two-thirds of independent outside directors.
 - Appointing female directors and female executive officers.
 - Appointing a foreign national director.

- FPG’s business is divided into the following four categories in this document.

Leasing Fund Business

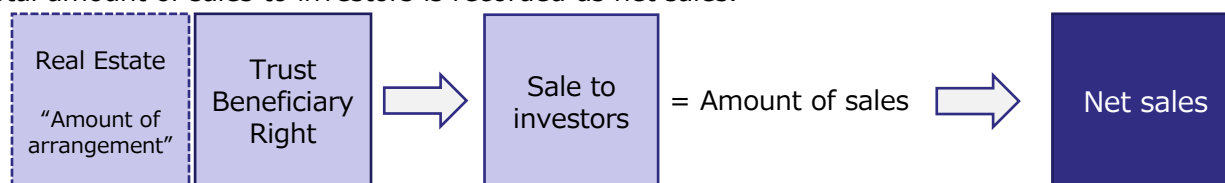
The Leasing Fund Business provides arrangement and management services for operating leases for aircraft, ships and marine containers. It also sells equity interests in the silent partnership “Tokumei Kumiai,” general partnership “Nini Kumiai” and trust beneficiary rights for operating leases to investors. Net sales include arrangement fees for arrangement in the operating lease business, sales commissions received on the sale of silent partnership interests to investors, etc. Sales of partnership interests and trust beneficiary rights to investors are not recorded as net sales.



Domestic Real Estate Fund Business

Real Estate Fractional Ownership Investment Product

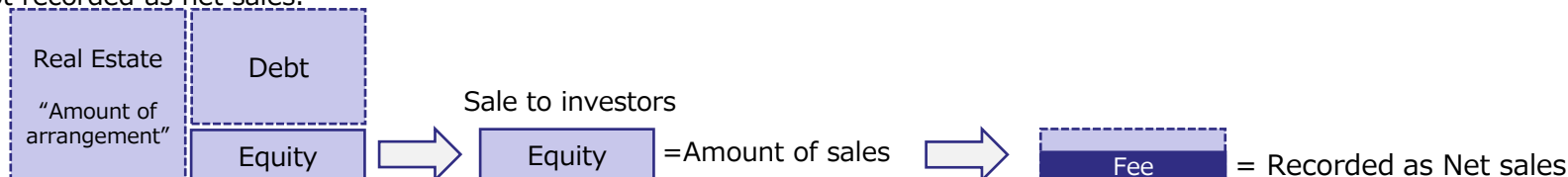
Arranges and sells to investors real estate fractional ownership investment products, using the trust function of FPG Trust. The total amount of sales to investors is recorded as net sales.



International Real Estate Fund Business

International Real Estate Investment Product

The Real Estate Fund Business arranges and manages collective investment projects targeting international real estate, and sells equity stakes in the general partnership “Nini Kumiai.” Net sales include arrangement fees for the arrangement of collective investment projects and commissions received on the sale of general partnership stakes to investors, among other sources. However, sales of general partnership stakes to investors are not recorded as net sales.



Other Business

“Other Business” includes M&A Business, Aviation Business, Fractional Ownership Platform Business, etc.

Projected results described in these presentation slides are based on the information available to the Company at the time of preparing, as well as certain assumptions judged by the Company to be reasonable, and, therefore, actual results could be different from these projections because of various risks and uncertain factors.

Financial Partners Group Co., Ltd.

Inquiry : Corporate Planning Department

TEL: +81-3-5288-5691 E-mail: ir@fpg.jp URL: <https://www.fpg.jp/en/info.html>